

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION**

**UNITED STATES SECURITIES  
AND EXCHANGE COMMISSION,**

**Plaintiff,**

**v.**

**JOHN J. WOODS, et al.,**

**Defendants.**

Civil Action No.  
1:21-cv-3413-SDG

**MOTION FOR AUTHORITY TO EMPLOY  
MIDDLESWARTH, BOWERS & CO. L.L.P. AS  
ACCOUNTANTS FOR THE RECEIVER**

A. Cotten Wright, the duly appointed receiver (the “Receiver”) for Horizon Private Equity, III, LLC (“Horizon”) and certain assets of John J. Woods (“Woods”) in the above-captioned civil action (this “Case”), hereby presents this Motion for Authority to Employ Middleswarth, Bowers & Co. L.L.P. as Accountants for the Receiver (this “Motion”), and in support thereof, respectfully represents as follows:

1. On August 20, 2021, the U.S. Securities and Exchange Commission (the “Plaintiff”) filed a Complaint (Doc. 1) against Woods, Horizon, and Livingston Group Asset Management Company, alleging violations of the

Securities Act of 1933, the Securities and Exchange Act of 1934, the Investment Advisers Act of 1940, and various regulations promulgated thereunder, thereby initiating this Case. Upon a motion from the Plaintiff, the Court entered its Order Appointing Receiver on September 1, 2021 (the “Receiver Order”) (Doc. 26). Pursuant to the Receiver Order, the Court appointed the Receiver to perform certain duties as set forth in the Order.

2. The Order permits the Receiver to “engage and employ persons in his or her discretion to assist him or her in carrying out his or her duties and responsibilities hereunder, including, but not limited to, accountants, attorneys, securities traders, registered representatives, financial or business advisers, liquidating agents, real estate agents, forensic experts, brokers, traders or auctioneers.” See Receiver Order, at 6.

3. In conformance with the requirement in the Receiver Order that the Receiver seek Court approval of any professionals that the Receiver chooses to employ, through this Motion the Receiver hereby requests authority to employ the accounting firm of Middleswarth, Bowers & Co., L.L.P. (“Bowers”) for the purpose of providing relevant forensic examination of financial records, advising on tax issues, preparing and filing necessary tax returns and providing any additional accounting services necessary during the Receivership.

4. The Receiver has consulted with Edward P. Bowers, Certified Public Accountant and Certified Insolvency and Reorganization Accountant concerning the availability of his firm to be employed as the Receiver's accountant in this case to perform the services required by the Receiver.

5. The Receiver desires to retain Bowers as accountants in this Case.

6. The Receiver is informed and believes that Bowers has the appropriate accounting skills and personnel needed to perform the accounting services required by the Receiver. Bowers, which has previously been employed as accountants in federal equity receivership cases and civil enforcement actions, bankruptcy cases, and other Federal and State Court matters, has experience and expertise in performing the types of services described herein. Bowers has agreed to perform services for the Receiver and thereafter make application to this court for compensation and has agreed to accept as its fees such amount as is determined by the Court.

7. The Receiver is informed that the normal hourly fees of Edward P. Bowers, C.P.A., C.I.R.A., D.A.B.F.A., C.F.F. are \$285.00 per hour for his time, Staff C.P.A.'s time at \$225.00 per hour, Accountant's time at \$150.00 per hour, and Bookkeeper's time at the rate of \$85.00 per hour. It is contemplated that Bowers will seek compensation based upon normal and usual hourly billing rates

and for the cost of actual out-of-pocket expenses incurred performing services reasonably likely to benefit the receivership estate or necessary to the administration of the estate.

8. The Receiver has informed Bowers that its fees and expenses will be subject to Court review and approval, must comply with the Plaintiff's billing procedures and guidelines, and are subject to the parameters set forth in the Receiver Order.

9. To the best of the Receiver's knowledge, Bowers does not hold or represent any interest adverse to the receivership estate.

10. The Receiver consulted with the Plaintiff's attorneys prior to filing this Motion and is informed that the Plaintiff has no opposition to it.

11. For these reasons, the Receiver maintains that it would be in the best interests of the receivership estate to employ Bowers to assist the Receiver in performing her duties as set out in the Order. Accordingly, the Receiver requests that the Court approve Bowers as accountants for the Receiver. A proposed order is attached as Exhibit A.

WHEREFORE, the Receiver respectfully prays that the Court will enter an Order approving the Receiver's employment of Middleswarth, Bowers & Co., L.L.P. as accountants to the Receiver and granting such further relief as is just and proper.

This is the 8<sup>th</sup> day of September, 2021.

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/s/ W. Russell Patterson, Jr.  
W. Russell Patterson, Jr.  
Georgia Bar No. 566920  
Attorney for Receiver

EXHIBIT A

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**ORDER GRANTING MOTION FOR AUTHORITY TO EMPLOY  
MIDDLESWARTH, BOWERS & CO. L.L.P.  
AS ACCOUNTANTS FOR THE RECEIVER**

This matter came before the Court on the Motion for Authority to Employ Middleswarth, Bowers & Co. L.L.P. as Accountants for the Receiver filed on September 8, 2021 (Doc. [REDACTED]). The Court, having reviewed the Motion and the record in this case, and having been informed of that the Plaintiff has no opposition to the Motion, has determined that it should be allowed.

IT IS, THEREFORE, ORDERED that the Motion is GRANTED and the Receiver is authorized to employ Middleswarth, Bowers & Co. L.L.P. as accountants for the Receiver.

IT IS SO ORDERED, this \_\_\_\_ day of September, 2021.

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STEVEN D. GRIMBERG  
UNITED STATES DISTRICT  
JUDGE



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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that copies of the foregoing Motion for Authority to Employ Middleswarth, Bowers & Co. L.L.P. as Accountants for the Receiver was served by electronic notification upon all parties and counsel who are registered users of the Court's electronic filing system and who have requested notice in the above-captioned civil action.

This is the 8<sup>th</sup> day of September, 2021.

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/s/ W. Russell Patterson, Jr.

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